

LEGAL NOTICE

and

Preliminary Determination for an Air Quality Permit for

Frontier Field Services LLC

Frontier Field Services LLC, 4200 Skelly Drive, Suite 700 Tulsa, OK has submitted an air quality permit application to the Air Quality Bureau (AQB), New Mexico Environment Department (NMED) for an air quality permit to modify the Skelly Compressor Station. The application file has been assigned Permit No. 3776M2 and TEMPO Agency Interest ID No. 378. The exact location of the facility is at latitude 32 deg, 49 min, 51 and longitude -103 deg, 51 min, 35.4 sec. To aid in locating this facility, the approximate location is: From Maljamar, Take Highway 82 seven miles west to CR223. Turn north and go 1.8 miles to the site. This facility is located approximately 6 miles W of Maljamar in Eddy County, New Mexico.

The proposed modification will consist of the removal of two (2) existing Caterpillar G35LE engines and install the following new equipment: Six (6) natural gas-fired Caterpillar G3516B engines each equipped with oxidation catalysts, One (1) TEG dehydration unit with a maximum capacity of 40 million standard cubic feet per day (MMscfd) and includes a condenser and a closed-loop, non-condensable vapor recovery system for the regenerator overhead stream. Flash tank vapors are collected by a recycle/recompression system, One (1) heater (associated with dehydrator) with a maximum heat input rating of 2.0 million British thermal units per hour (MMBtu/hr), One (1) condensate stabilizer with a maximum heat input rating of 0.80 MMBtu/hr, One (1) thermal oxidizer with a maximum heat input rating of 2.39 MMBtu/hr, Three (3) condensate tanks each with a capacity of 300 bbl, and One (1) flare which will combust 365 MMscf/yr.

Total air pollutant emissions to the atmosphere are estimated to be approximately Nitrogen Oxides (NO_x) at 123.6 tons per year (tpy); Carbon Monoxide (CO) at 97.9 tpy; Volatile Organic Compounds (VOC) at 115.3; Sulfur Dioxide (SO₂) at 82.8 tpy; Total Suspended Particulate Matter (TSP) at 3.0 tpy, Particulate Matter 10 microns or less (PM₁₀) at 3.0 tpy, and Particulate Matter 2.5 microns or less (PM_{2.5}) at 3.0 tpy, and Hydrogen Sulfide (H₂S) at 10.7 tpy. These emission estimates could change slightly during the course of the Department's review of the application.

The NMED has conducted a preliminary review of the information submitted with the permit application. The preliminary review and applicant's analysis of ambient air quality impacts indicates that the facility's air emissions will meet the ambient air quality standards for TSP, PM₁₀, PM_{2.5}, NO₂, CO, SO₂, and H₂S. A full review will evaluate the estimated emission rates for the pollutants listed above and the air quality analysis to determine compliance with the associated ambient air standards and requirements.

The NMED has conducted a preliminary review of the information submitted with the permit application and found that only volatile organic compounds (VOCs) are being emitted due to this modification. VOCs are a pre-cursor to ozone. Pre-construction air dispersion modeling is not required for VOCs and ozone. To determine compliance with national ambient air quality standards, NMED monitors ambient ozone concentrations. A full review will evaluate the estimated emission rates and determine compliance with air quality regulations.

Based on the applicant's analysis, a preliminary determination is that this facility will comply with the requirements of Title 20, New Mexico Administrative Code (NMAC), Chapter 2, Parts 3, 7, 61, 70, 71, 72, 73, 75, and 82; 40 CFR 50; 40 CFR 60 Subparts A, JJJJ, OOOO; 40 CFR 63 Subparts A, HH, ZZZZ; and the New Mexico Air Quality Control Act. Therefore, the preliminary intent of NMED is to

issue the air quality permit on or before July 20, 2013. This source is a minor source according to 20.2.74 NMAC, PSD.

To ensure compliance with state and federal air regulations, the permit is expected to include conditions that limit the emissions, hours of operation, and production rate, and conditions that will require record keeping and reporting to the Department.

The permit application is available for review in electronic or hard copy at the Air Quality Bureau Office, 525 Camino de los Marquez Suite 1, Santa Fe, New Mexico. To arrange viewing of this application, contact Teri Waldron, at 505-476-4355 or teri.waldron@state.nm.us. The permit application is also available at the NMED Hobbs Office, located at 726 E. Michigan - Suite 160, Hobbs, NM 88240 for public review.

All interested persons have thirty (30) days from the date this notice is published, to notify the Department in writing of their interest in the permit application. The written comments should refer to the company name, site name and Permit No. (or send a copy of this notice along with your comments). The written comments shall state the nature of the issues raised and how it relates to the requirements of applicable state and federal air quality regulations and the Clean Air Act. The written comments should be mailed to Rhonda Trujillo, New Mexico Environment Dept., Air Quality Bureau, Permit Section, 525 Camino de los Marquez Suite 1, Santa Fe, NM 87505-1816.

The Department will notify all persons, who have provided written comments, as to when and where the Department's analysis may be reviewed. Although all written comments will be made part of the public record, any person who does not express interest in writing prior to the end of this first thirty (30) day period will not receive such notification.

If the Department receives written public comment prior to the end of the Department's thirty (30) day public notice, the Department's analysis will be made available for review for thirty (30) days at the NMED district or field office nearest to the source before the permit will be issued. Written comments on the analysis or permit application may be submitted to the Department during this second thirty (30) day period or at any time before the permit is issued or denied.

Questions or comments not intended to be part of the public record can be directed to Rhonda Trujillo at 505-476-4354. General information about air quality and the permitting process can be found at the Air Quality Bureau's web site. The regulation dealing with public participation in the permit review process is 20.2.72.206 NMAC. This regulation can be found in the "Permits" section of this web site.